

SURETY ESTIMATE UPDATE

Interpace Industries

Clinton Pit

M/049/006

Utah County

Pleasantview Mine

M/057/003

Weber County

Prepared by Utah Division of Oil, Gas & Mining

Last revision.

April 14, 1992

DESCRIPTION:

- Clinton estimate reduced in 1989 to \$46,880 (1989-\$) for regrading work
- DOGM inspection of 9/20/91 found successful revegetation at the site
- Successful revege reduces amount by \$4,114 => \$42,766 (1989-\$)
- Pleasantview estimate calculated in 1988 was \$24,860 (1988-\$)
- DOGM inspection of 11/22/91 found acceptable regrading of entire site
- Regrading work reduces amount by \$21,505 => \$3,355 (1988-\$)
- Bring both estimates up to 1991 dollars and project 5 years forward
- Since it will be 1992 when the Board reviews this, escalate to 1997-\$
- Escalation factors through 1990 are actual Means Historical Cost Indices
- Clinton disturbance = 26.1 acres; Pleasantview disturbance = 12 acres

CALCULATIONS	YR	ESCAL FACTOR	CLINTON AMOUNT	PLEASANTV. AMOUNT
$F = P(1 + i)^{**n}$				
	1988	0.0181	\$0	\$3,355
F = Future Sum	1989	0.0177	\$42,766	\$3,414
P = Present Sum	1990	0.0077	\$43,095	\$3,441
i = Escalation Factor	1991	0.0145	\$43,720	\$3,491
n = number of periods	1992	0.0145	\$44,354	\$3,541
	1993	0.0145	\$44,997	\$3,593
Three Yr Average = 1.45	1994	0.0145	\$45,650	\$3,645
Used to Project 5 Yrs	1995	0.0145	\$46,312	\$3,697
Into the Future	1996	0.0145	\$46,983	\$3,751
	1997	0.0145	\$47,664	\$3,805
Combined total for both sites			\$51,470	
Updated Surety Amount Rounded (1997-\$)			<u>\$51,500</u>	
---Clinton Avg. cost per acre =			\$1,826	
---Pleasantview Avg. cost per acre =			\$317	